



CABINET FOR HEALTH AND FAMILY SERVICES
Department for Medicaid Services
Commissioner's Office

Ernie Fletcher
Governor

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James W. Holsinger, Jr., M.D.
Secretary

August 18, 2005

Nursing Facility Provider Letter #A-219

Dear Nursing Facility Provider:

The Cabinet for Health and Family Services, Department for Medicaid Services, pursuant to the requirements of 42 CFR 447.205, gave public notice that effective July 1, 2005, reserved bed days, per resident, for an Nursing Facility or an Nursing Facility -Waiver shall be:

- Covered for a maximum of fourteen (14) days per calendar year due to hospitalization;
- Covered for a maximum of ten (10) days per calendar year for leaves of absence other than hospitalization;
- DMS shall reimburse at 75% of a facility's rate if the facility's occupancy percent is 95% or greater; and
- DMS shall reimburse at 50% of a facility's rate if the facility's occupancy percent is less than 95%.

Coverage during an individual's absence due to hospitalization or due to leave of absence shall be contingent upon the following conditions being met:

- (a) The individual shall be in Medicaid payment status in the level of care he or she is authorized to receive and have been a resident of the facility at least overnight;
- (b) An individual for whom Medicaid is making Medicare coinsurance payments shall not be considered to be in Medicaid payment status for purposes of this policy;
- (c) The individual shall be reasonably expected to return to the same level of care;
- (d) Due to demand at the facility for beds at that level, there shall be a likelihood that the bed would be occupied by another patient were it not reserved;
- (e) The hospitalization shall be for treatment of an acute condition, and not for testing, brace-fitting, or another noncovered service;
- (f) For a leave of absence other than for hospitalization, the individual's plan of care shall include a physician's order providing for leave; and
- (g) A leave of absence shall include a visit with a relative or friend, or a leave to participate in a state-approved therapeutic or rehabilitative program.



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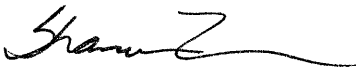
Each nursing facility will use its total licensed nursing facility beds regardless of payer source to calculate occupancy percentage for reserved bed days payment. Occupancy is based on total available bed days. Medicaid will review documentation from providers who believe they should receive the higher payment rate, and if documentation appears appropriate, Medicaid will input the 75% payment rate for the next quarter's bed reserve payments. Medicaid used the latest cost reports in house to determine who would receive the 75% payment for the first quarter of this year.

A bed census form is attached for your use in submitting a documented quarterly census of 95% or higher. The forms will be due to Medicaid by the 15th of the month following each quarter-end. This reporting process will begin with the July - September 2005 quarter, with the applicable forms and census copies due by October 15, 2005. You must include the completed cover sheet and copies of the original census for each quarter being documented. Documentation submitted after the 15th due date will not be accepted.

Reserved bed days used prior to July 1, 2005 does not apply to the new maximums. The new maximums apply to the time period July 1, 2005 through December 31, 2005. On January 1, 2006, the maximums will apply to the total 2006 calendar year. Bed reservation days will now be counted through the calendar year, regardless whether the resident may or may not have used days at another nursing facility.

If you have any questions regarding this letter, please call Mrs. Sherilyn Redmon, Branch Manager, Long Term Care, at 502-564-5707.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon R. Turner".

Shannon R. Turner, JD
Commissioner

SRT/jm/amc
Attachment

Attachment

Medicaid Reserved Bed Days Billing Issues

1. Question: *How will facilities bill for the reserved bed days?*

Response: Medicaid intends for bed holds to be paid prospectively. The default payment rate for all facilities will be 50% of the facility per diem. In order to receive 75% of the facility per diem, nursing facilities will be required to mail documentation on a quarterly basis, if they were at 95% or higher occupancy. This documentation will be reviewed and, if approved, the 75% rate for the upcoming quarter will be loaded into the system for that provider.

2. Question: *What quarter occupancy % would be used to pay rates?*

Response: For the October 2005 bed holds billed to Medicaid, the July – September 2005 quarter occupancy % would be used.

3. Question: *What will be the due date for the submission of these forms?*

Response: The forms will be due to Medicaid by the 15th of the month following the quarter-end. You must include the completed cover sheet and copies of the original census for the quarter being documented. Documentation submitted after that date will not be accepted.

4. Question: *Will bed hold payments be adjusted retroactively for changes in occupancy percent?*

Response: Medicaid will not make adjustments, either up or down, after bed holds have been paid to facilities.

5. Question: *Can a facility bill the patient/family the difference between the 50% or 75% rate and the full rate?*

Response: No, state regulation 907 KAR 1:005 address non-duplication of payments and federal regulation 42 CFR 447.15 addresses "acceptance of State payment as payment in full".

6. Question: *If a patient exceeds the bed-hold reserve day caps, can they pay to hold the bed?*

Response: Yes, bed-hold for days of absence in excess of the State's bed-hold limit is considered non-covered services which mean that the resident could use his/her own income to pay for the bed-hold. However, if such a resident does not elect to pay to hold the bed, readmission rights to the next available bed are specified at 42 CFR 483.12(b) (3). Non-Medicaid residents may be requested to pay for all days of bed-hold.

DMS Comment: If due to demand at the facility for beds at that level, there shall be a likelihood that the bed would be occupied by another patient were it not reserved, the provider should bill for bed hold days, if there is no waiting list, the provider should wait for the resident to return without charge.

CENSUS COVER SHEET

DATES OF QUARTERLY CENSUS: ____/____/____ thru ____/____/____

*FACILITY NAME: _____

*(This information must also be on the census)

MEDICAID PROVIDER NUMBER: _____

Instructions – When computing total bed days used and available, include all NF beds, including bed reserve, regardless of payer source. (Do not include personal care beds.)

(1) Total bed days used (month 1) = _____

(2) Total bed days used (month 2) = _____

(3) Total bed days used (month 3) = _____

(4) Total bed days used for quarter = _____

(Add lines 1, 2 and 3 to compute this total)

(5) Total available bed days for NF = _____

(# of beds multiplied by days in the quarter)

(6) Percentage occupancy used for quarter = _____

(Line 4 divided by Line 5)

(7) Is the % in line 6 equal to 95% or higher?

Yes – Send to Medicaid with copies of census for the quarter attached

No – Do nothing. You will automatically be paid 50% of your per diem rate for bed reserve.

COMMENTS: _____

Signature/Title of Facility Staff

____/____/____

Date

Attach this form to the quarterly census